Government of Saskatchewan

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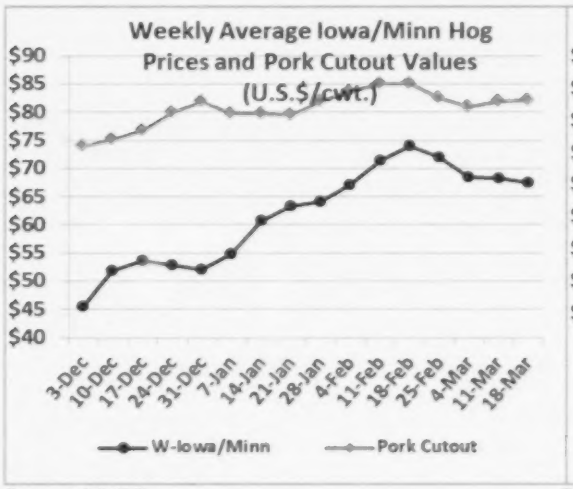
Weekly Hog Report

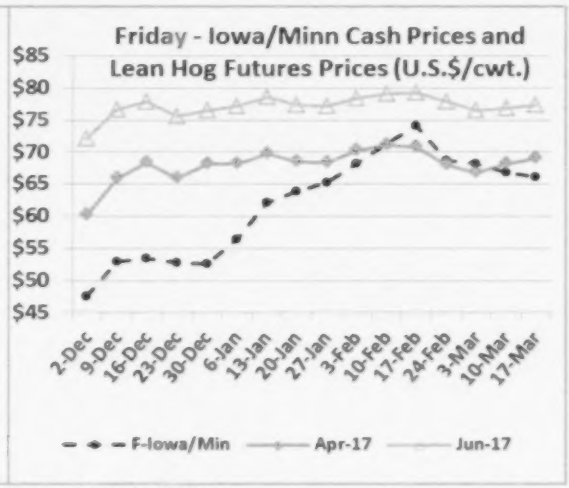
March 20, 2017

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) edged lower again last week. Hog prices on Friday March 17 averaged US$66.10 per cwt, down US$0.72 per cwt or 1.1 per cent from US$66.82 per cwt the previous Friday. The negotiated weekly base price last week averaged US$67.36 per cwt, down US$0.78 per cwt or 1.1 per cent from US$68.14 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

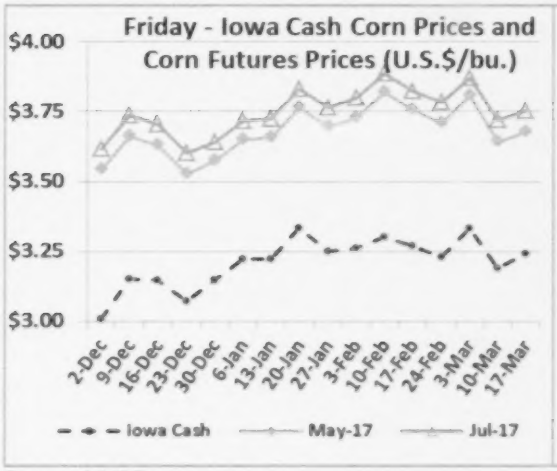
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday March 17, 2017 was $167.79 per ckg, down $3.71 per ckg or 2.2 per cent from $171.50 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $169.21 per ckg, down $2.26 per ckg or 1.3 per cent from the previous weeks' average price of $171.47 per ckg. The Canadian dollar bounced back a bit from the previous few weeks' to settle Friday at 74.98 cents, up 0.70 cents from 74.28 cents the previous Friday.

Futures Markets

United States lean hog futures daily prices were mixed with good gains early in the week before declining later in the week, but still edged higher, week-over-week. The nearby April 2017 lean hog futures contract increased US$0.875 per cwt last week to settle Friday at US$69.050 per cwt; while the June 2017 lean hog futures contract increased US$0.425 per cwt to settle last Friday at US$77.325 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US$42.36 per head, down US$3.28 per cwt or 7.2 per cent from US$45.64 per head the previous week. Feeders (40lb) averaged US$76.73 per head, up US$2.35 per head or 3.2 per cent from US$74.38 per head, the previous week.



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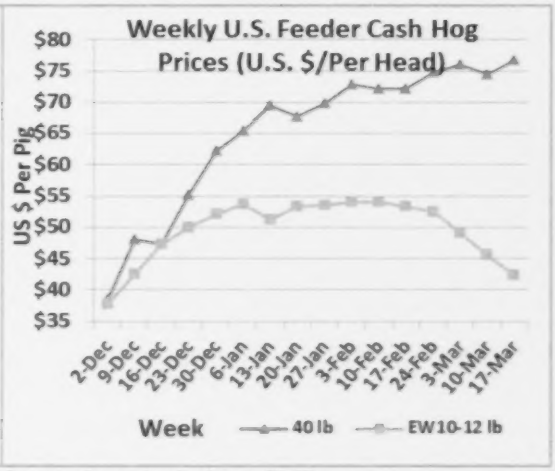


Source: Iowa Agriculture, CME

Iowa cash corn prices settled last Friday at US$3.24 per bushel, up five cents from US$3.19 per bushel the previous Friday. Daily corn futures were primarily higher last week (except for Monday) to help prices edge higher, week-over-week. The May 2017 corn contract increased 3.2 cents per bushel to settle Friday at US$3.67 ½ per bushel; while the July contract increased three cents to settle Friday at US$3.75 per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending March 18 were estimated at 2.335 million head, up 0.7 per cent from 2.318 million head the previous week, and up 6.7 per cent from 2.188 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks have averaged about 2.309 million head, up 4.3 per cent from 2.214 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending March 11, 2017 were estimated at 403,061 head, down 6.9 per cent from 432,884 head the previous week, and down 5.6 per cent from 426,819 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 417,534 head, up 1.8 per cent from 410,187 head over the same period a year ago. Year-to-date, for the first ten weeks of 2017 Canadian hog slaughter numbers totaled 4,277,144 head, up 0.6 per cent from the same period a year ago. (Source: AAFC/CFIA)

In Western Canada, federal and provincial hog slaughter numbers for the four weeks ending March 11, 2017 averaged 166,967 head, down 0.4 per cent from 167,652 head over the same period a year ago. Year-to-date, Western Canadian hog slaughter numbers totaled 1,742,582 head, up 1.4 per cent from the same period a year ago.

Meat Production

U.S. pork production for the week ending March 18, 2017 was estimated at 495.8 million lb., up 0.8 per cent from 492.1 million lb. the previous week, and up 6.6 per cent from 465.2 million lb. the same week a year ago. Pork production over the last four week's ending March 18 was estimated to average 490.2 million lb., up 4.1 per cent from 470.8 million lb. over the same four week period a year ago.

U.S. beef production for the week ending March 18 was estimated at 478.6 million lb., down 0.4 per cent from 480.3 million lb. the previous week, but up 4.3 per cent from 458.9 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending March 11, 2017, was estimated to average 2.077 billion lb., up 3.2 per cent from 2.014 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2017 is estimated to be up 1.6 per cent compared to the same period in 2016.

United States Weekly Meat Production

(March 11) Four Week Average - Million Lb.			Percent Change	
	2016	2017	4 Week	YTD 2017
Pork	476.2	491.3	3.2%	1.5%
Beef	443.4	475.4	7.2%	4.5%
Chicken	968.9	977.8	0.9%	0.5%
Turkey	125.4	132.9	6.0%	0.3%
Total	**2,013.8**	**2,077.4**	**3.16%**	**1.62%**

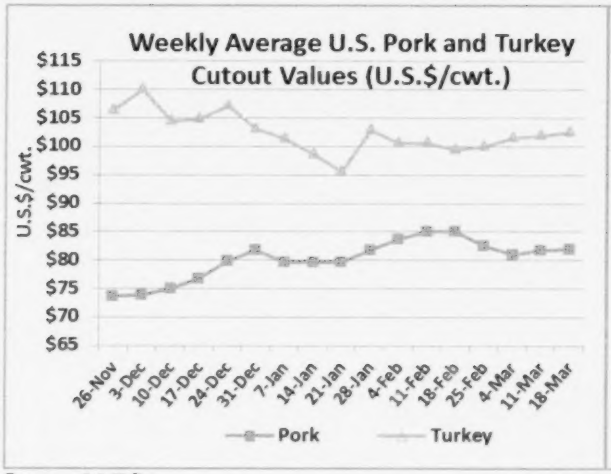
Source: LMIC

Cutout Values

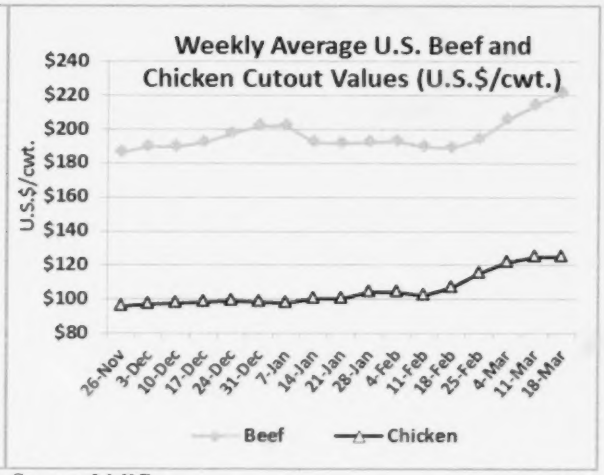
U.S. national pork cutout values for the week ending March 18, 2017 averaged US$82.05 per cwt, up US$0.26 per cwt from US$81.79 per cwt the previous week, and up 7.5 per cent from US$76.30 per cwt from the same week a year ago. Pork cutout values have performed poorly over the last four weeks declining over three percent.

Choice beef cutout prices (600-900 lb.) for the week ending March 18, 2017 averaged US$221.56 per cwt over the week, up US$7.44 per cwt or 3.5 per cent from US$214.12 per cwt the previous week, but down 4.4 per cent from US$231.77 per cwt the same week a year ago. Beef cutout values have been very strong since late February, increasing about 17 per cent over the last four weeks.

Average chicken cutout values (breast) for the week ending March 18, 2017 averaged US$124.83 per cwt, up US$0.31 per cwt from US$124.52 per cwt the previous week, and up 15.4 per cent from US$108.15 per cwt the same week a year ago. Chicken cutout values over the last four weeks have increased by almost 17 per cent.



Source: LMIC



Source: LMIC

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